

11 January 1966

CONGRESSIONAL
BRIEFING

INDIA

I. India and the leaders of its Congress Party face a difficult problem in choosing a successor to Prime Minister Shastri.

A. Home Minister Nanda took over as caretaker immediately after Shastri's sudden death in Tashkent, but this is almost certainly only an interim solution.

1. Nanda served in a similar capacity for one week after Nehru died in 1964. He does not have an independent political base, and there has been criticism of his performance as a cabinet minister.

B. Senior officials of the Congress Party are to meet this Friday, and there will probably be a caucus of the party hierarchy in the next week or so. Technically, the Prime Minister is chosen by the 540 members of the Congress Party in both houses of parliament.

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II. The problem will be to find a successor who is acceptable to all major factions of the party.

When Nehru died, there were stronger candidates than Shastri, but they were handicapped in each case by strong opposition within the party.

A. The leading candidates at present include Defense Minister Chavan, former Finance Minister Desai, and Congress Party President Kamaraj.

1. Desai has a reputation for getting things done and for incorruptability.

He was a strong candidate when Nehru died, but was one of those who lost out because he evoked some strong opposition. He appears to have been losing political strength since then.

2. Chavan took over the Defense Ministry from Krishna Menon in 1962, has built up the armed forces, and shares the credit with Shastri for what most Indians consider a military victory over Pakistan last fall.

3. Kamaraj probably has the broadest support within the party, but his limited formal education, and inability to communicate freely in either Hindi or English, would limit his effectiveness

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as a prime minister. In any case, Kamaraj has shown a preference for concentrating on party affairs and exerting his influence from behind the scenes.

B. Among the dark horses who might be picked as compromise candidates if the leaders are deadlocked, there are Mrs. Indira Ghandi, Nehru's only child; Steel Minister Reddy; and Home Minister Nanda. Reddy is the likeliest of these.

III. The New Prime Minister will inherit a number of serious problems.

A. A severe food crisis is in prospect. Sino-Indian relations remain tense. Indian-Pakistani hostility will continue even though the Tashkent agreement for a troop withdrawal will probably be honored. India is unsure whether and when US aid will be resumed.

B. On top of all this, national elections are coming early in 1967.

IV. We do not believe, however, that there will be any significant changes in Indian policy, domestic or foreign, no matter who is chosen.

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- A. The new Prime Minister will be chosen by just about the same men, acting within the same frame of reference, as Shastri was two years ago.
- B. All of the candidates, furthermore, are in substantial agreement on major policies.
- C. The difference lies in whether a strong leader or a weaker compromise choice takes over. Forcefulness and personal predilections will play some role in the implementation of policies.

IV: These are the domestic policies in which we foresee no early change:

- Priority on defense spending, to build up forces capable of facing both the Pakistanis and the Chinese;
- heavy emphasis on bringing about a dramatic increase in food production; and
- the decision not to produce nuclear weapons at this time.

A. All of India's major leaders have declared their opposition to a nuclear weapons program, and we do not think they will reverse this policy soon. We continue to believe, however, that eventually security considerations will lead India to develop its own nuclear weapons.

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B. India is committed to a course of moderate socialism.

1. Some leaders, distressed over India's poor economic performance, are disposed as a result to try relying less on government controls, and more on the forces of the marketplace.
2. Any such experimenting, however, would probably come only after the resumption of large-scale foreign aid, and even then it would be mainly a matter of emphasis.

V. Foreign policy in particular is not likely to show much change; the present lines are generally accepted by most Indians.

A. The Tashkent agreement, Shastri's legacy, will probably ease relations with Pakistan for a while, but India will remain unwilling to make any substantial concessions on Kashmir, and Pakistan is determined to obtain a settlement of this dispute.

1. Shastri vigorously resisted Pakistan on the Kashmir issue, but in general he favored and worked for an improvement of relations. Some of his potential successors may take a harder line.

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2. Pakistan may ease its pressures on Kashmir for a while to give the new Indian leader time to get settled, but in the long run relations will probably deteriorate again.
- B. There is no significant sentiment in the Congress Party, or in India as a whole, for any improvement in relations with Communist China. New Delhi and Peking will remain bitter rivals.
- C. Conversely, there will probably be no interruption or change in India's good relations with the Soviet Union, which provides large amounts of both economic and military aid.
- D. Any new Prime Minister will be aware of his country's heavy dependence on the West--and especially the United States--for aid. We have been India's chief source of economic assistance and the desperately needed emergency food supplies. A new Prime Minister will do everything he can to maintain and improve good relations with the United States, and to get aid resumed, as long as he is not required to make radical changes in Indian policy toward Pakistan or the Soviet Union to bring this about.

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